

Prospects pipeline moderates; guidance maintained on all fronts

L&T's 1QFY25 PAT at INR 27.9bn (up 12% YoY) was below JMFe of INR 29bn (consensus: INR 29.5bn) led by lower other income and higher depreciation. P&M business revenue/EBITDA grew by 18%/20% YoY to INR 386bn/INR 29.4bn (in-line) with P&M EBITDA margin at 7.6% (in-line). Consolidated order inflows grew by 8% YoY to INR 709bn with order backlog at INR 4.9tn (3x TTM P&M revenue). NWC remained low at 13.9% of revenue (17% in 1Q24). Bid pipeline moderated to INR 9.1tn (down 10% YoY) for remainder of the year due to reduction in hydrocarbon prospects. L&T has maintained its 15%/10% revenue/order inflow growth and P&M margin guidance of 8.25% for FY25E. We have marginally tweaked our EPS estimates (cut by 2.3%/1.5% in FY25/26). EPS growth for P&M business remains strong at 27% CAGR over FY24-26E. Lower asset intensity along with push from recent buyback should drive ROE expansion (14.8% in FY24 to 18.3% in FY26E). Maintain BUY with revised price target of INR 3,890 (P&M business valued at 30x Mar-26E EPS).

- Robust execution led by strong backlog; P&M business performance inline:** Consolidated revenue grew by 15% YoY to INR 551bn (JMFe: INR 544bn) led by strong execution momentum in Infrastructure (+22% YoY) and Hydrocarbon (+34% YoY) segments. P&M business revenue/EBITDA grew by 18%/20% YoY to INR 386bn/INR 29.4bn (in-line) with P&M EBITDA margin at 7.6% (in-line). Infrastructure segment margins improved by 70bps YoY to 5.8% (JMFe: 5.3%) led by execution cost savings.
- Order backlog grows by 19% YoY; Prospects pipeline moderates:** L&T's consolidated order inflows stood at INR 709bn (+8% YoY) with P&M inflows of INR 544bn (+8% YoY) in 1Q25. Order backlog remains strong at INR 4.9tn (3x TTM P&M revenue). Prospects pipeline moderated to INR 9.1tn (down 10% YoY) due to reduction in hydrocarbon prospects (INR 2.7tn, down 38% YoY) as some projects were shelved while some were deferred. Infrastructure prospects remain healthy at INR 6tn (+6% YoY). Middle East accounts for 35% of L&T's current order backlog. L&T will continue to focus on Hydrocarbon and RE projects and is also open for railway and metro projects in ME.
- Maintains FY25 guidance on all fronts:** L&T has maintained its revenue/order inflow growth guidance of 15%/10% YoY for FY25E (+15%/8% YoY in 1Q25). While prospects pipeline has moderated, L&T remains confident of achieving its order inflow growth guidance for FY25E led by higher win rate. L&T has also maintained its P&M margin guidance of 8.25% (flat YoY) for FY25E. Average ridership declined marginally QoQ from 442k/day in 4Q24 to 434k/day in 1Q25 for Hyderabad Metro. Till date, L&T has received support of INR 9bn from Telangana government and INR 21bn is pending.
- Expect 27% CAGR in P&M earnings over FY24-26E; supports valuations:** We expect EPS CAGR of 27% over FY24-26E for L&T's P&M business led by robust order backlog and margin expansion in FY26E. Strong growth, reducing asset intensity (lower NWC & asset sales) and push from buyback should drive ROE expansion to 18.3% by FY26 (14.8% in FY24). Valuations at 26x FY26E P&M business EPS remain well supported. Maintain BUY with revised price target of INR 3,890 (P&M business valued at 30x Mar-26E EPS).

Vaibhav Shah

vaibhav.shah@jmf.com | Tel: (91 22) 66303068

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	3,890
Upside/(Downside)	10.5%
Previous Price Target	3,740
Change	4.0%

Key Data – LT IN

Current Market Price	INR3,519
Market cap (bn)	INR4,838.7/US\$57.8
Free Float	100%
Shares in issue (mn)	1,374.7
Diluted share (mn)	1,374.7
3-mon avg daily val (mn)	INR12,534.2/US\$149.7
52-week range	3,949/2,547
Sensex/Nifty	80,149/24,414
INR/US\$	83.7

Price Performance

%	1M	6M	12M
Absolute	-0.3	-1.9	35.4
Relative*	-2.9	-13.5	12.1

* To the BSE Sensex

Financial Summary

	(INR mn)				
Y/E March	FY22A	FY23A	FY24A	FY25E	FY26E
Net Sales	15,65,212	18,33,407	22,11,129	25,46,092	29,02,024
Sales Growth	15.1%	17.1%	20.6%	15.1%	14.0%
EBITDA	1,82,173	2,07,533	2,34,936	2,70,087	3,25,191
EBITDA Margin	11.6%	11.3%	10.6%	10.6%	11.2%
Adjusted Net Profit	85,724	1,03,348	1,29,655	1,47,102	1,89,432
Diluted EPS (₹)	61.0	73.5	94.3	107.0	137.8
Diluted EPS Growth	21.3%	20.5%	28.3%	13.5%	28.8%
ROIC	5.7%	6.8%	8.0%	8.6%	9.9%
ROE	10.8%	12.0%	14.8%	16.1%	18.3%
P/E (x)	27.7	26.0	37.3	32.9	25.5
P/B (x)	2.9	3.0	5.7	5.0	4.4
EV/EBITDA (x)	17.1	15.8	23.3	20.2	16.6
Dividend Yield	1.3	1.3	0.8	0.9	1.0

Source: Company data, JM Financial. Note: Valuations as of 24/Jul/2024

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Exhibit 1. Consolidated Quarterly Results

INR mn	FY23	1QFY24	2QFY24	3QFY24	4QFY24	FY24	1QFY25	1QFY25E	Variance (%)	FY25E	FY26E
Net sales	1,833,407	478,824	510,240	551,278	670,787	2,211,129	551,198	543,986	1.3%	2,546,092	2,902,024
EBIDTA	207,533	48,686	56,320	57,590	72,340	234,936	56,153	55,315	1.5%	270,087	325,191
EBIDTA Margin (%)	11.3	10.2	11.0	10.4	10.8	10.6	10.2	10.2		10.6	11.2
Other income	29,292	11,456	11,330	8,378	10,417	41,580	9,206	10,500	-12.3%	38,580	41,427
Depreciation	35,023	8,305	9,099	9,208	10,212	36,823	9,979	9,200	8.5%	40,520	43,020
Interest	32,072	8,514	8,640	9,042	9,263	35,458	8,614	8,700	-1.0%	33,850	29,550
PBT	169,730	43,324	49,911	47,718	63,282	204,235	46,767	47,915	-2.4%	234,297	294,047
Tax	44,841	12,163	11,355	11,773	14,183	49,474	12,365	12,458	-0.7%	60,110	74,593
Effective tax rate (%)	26.4	28.1	22.8	24.7	22.4	24.2	26.4	26.0		25.7	25.4
PAT	124,889	31,161	38,556	35,945	49,099	154,761	34,401	35,457	-3.0%	174,187	219,455
Minority interest	20,599	6,026	6,229	6,455	6,171	24,880	6,590	6,500	1.4%	27,285	30,223
Profit from associates	(943)	(205)	(101)	(17)	96	(226)	46	50	-8.6%	200	200
Consolidated PAT	103,348	24,930	32,226	29,474	43,025	129,655	27,857	29,007	-4.0%	147,102	189,432
Extra-ordinary items	1,360	-	-	-	936	936	-	-		-	-
Reported PAT	104,708	24,930	32,226	29,474	43,961	130,591	27,857	29,007	-4.0%	147,102	189,432
% change yoy											
Net sales	17.1	33.6	19.3	18.8	15.0	20.6	15.1	13.6		15.1	14.0
EBIDTA	13.9	23.0	15.0	13.5	5.9	13.2	15.3	13.6		15.0	20.4
Other income	29.2	64.9	53.4	11.0	40.6	42.0	(19.6)	(8.3)		(7.2)	7.4
Interest	2.6	12.6	3.4	12.7	13.9	10.6	1.2	2.2		(4.5)	(12.7)
Depreciation	18.8	(13.8)	5.8	11.6	19.6	5.1	20.2	10.8		10.0	6.2
PBT	17.8	47.8	26.6	13.6	7.1	20.3	7.9	10.6		14.7	25.5
Adj PAT	20.6	46.5	44.6	21.9	7.9	25.5	11.7	16.4		13.5	28.8
Reported PAT	20.8	46.5	44.6	15.5	10.3	24.7	11.7	16.4		12.6	28.8

Source: Company, JM Financial

Exhibit 2. P&M business performance

INR mn	FY23	1QFY24	2QFY24	3QFY24	4QFY24	FY24	1QFY25	FY25E	FY26E
P&M Order inflows	1,721,900	503,550	730,380	601,670	560,500	2,396,110	544,400	2,617,818	2,956,281
YoY growth	19.2%	79.3%	96.0%	31.5%	-8.3%	39.2%	8.1%	9.3%	12.9%
Revenue	1,250,047	327,180	349,090	393,050	509,790	1,579,139	386,230	1,863,499	2,150,121
YoY growth	15.8%	47.9%	24.2%	25.1%	17.6%	26.3%	18.0%	18.0%	15.4%
EBITDA	107,540	24,412	25,805	30,000	48,868	129,654	29,360	153,735	194,538
YoY growth	6.6%	34.3%	12.3%	11.9%	22.1%	20.6%	20.3%	18.6%	26.5%
EBITDA Margin (%)	8.6	7.5	7.4	7.6	9.6	8.2	7.6	8.2	9.0
P&M PAT	67,760	14,380	15,470	17,190	31,463	78,503	15,240	95,125	128,424
P&M EPS	48.2	10.2	11.3	12.5	22.9	57.1	11.1	69.2	93.4
YoY growth	6.9%	45.3%	16.0%	-1.0%	21.4%	18.4%	8.3%	21.2%	35.0%

Source: Company, JM Financial

Exhibit 3. L&T segmental performance

INR mn	Revenue			EBITDA Margin	
	1Q25	1Q24	YoY	1Q25	1Q24
Infrastructure	269,080	220,580	22.0%	5.8	5.1
Power	5,200	7,400	-29.7%	14.8	7.2
Heavy Engineering	7,450	9,610	-22.5%	18.6	17.1
IT & Technology services	115,050	108,510	6.0%	20.0	20.6
Precision Engineering & Systems	11,000	8,200	34.1%	16.6	16.5
Developmental projects	13,270	12,940	2.6%	17.0	15.8
Hydrocarbon	79,750	59,420	34.2%	8.3	9.5
L&T Finance Holdings	36,640	30,200	21.3%	25.9	24.6
Others	13,750	21,970	-37.4%	23.4	18.6
Total	551,190	478,830	15.1%	10.2	10.2
- Domestic	288,710	288,610	0.0%		
- International	262,480	190,220	38.0%		

Source: Company, JM Financial

Exhibit 4. Order backlog and order inflow movement

INR mn	Order backlog			Order inflows		
	Jun-24	Jun-23	YoY	1Q25	1Q24	YoY
Infrastructure	3,248,790	3,016,565	7.7%	400,530	400,510	0.0%
Heavy Engineering	51,857	46,648	11.2%	6,400	6,210	3.1%
Precision Engineering & Systems	285,793	225,716	26.6%	30,370	4,300	606.3%
Power	60,610	61,895	-2.1%	2,500	2,200	13.6%
Hydrocarbon	1,116,630	662,882	68.5%	85,420	70,250	21.6%
Services				164,960	151,650	8.8%
Others	148,173	112,775	31.4%	19,180	20,080	-4.5%
Total	4,911,853	4,126,480	19.0%	709,360	655,200	8.3%
- Domestic	3,048,081	2,929,801	4.0%	383,380	378,740	1.2%
- International	1,868,179	1,196,679	56.1%	325,980	276,460	17.9%

Source: Company, JM Financial

Exhibit 5. Group Balance sheet

INR bn	Jun-23	Jun-24	Incr/(Decr)
Equity & Reserves	920	892	(28)
Non-Controlling Interest	150	162	12
Borrowings	1,131	1,181	50
Financial Services	743	799	56
Development Projects	173	166	(7)
Others	215	216	1
Sources of Funds	2,201	2,235	34
Fixed Assets	168	187	19
Intangible Assets & Investment Property	291	271	(20)
Loans towards Financing Activities	719	821	102
Finance lease receivable	61	55	(6)
Net Non-Current Assets	190	188	(2)
Current Investments, Cash & Cash Equivalents	532	509	(23)
Net Current Assets	230	203	(27)
Assets held for sale (net)	10	-	(10)
Application of Funds	2,201	2,235	34

Source: Company, JM Financial

Exhibit 6. Share in Profit/(Loss) of JVs/Associates

INR bn	Q1FY25	Q1FY24
L&T Power JVs	-0.05	-0.12
L&T IDPL group	0.10	-0.12
Others**	0.00	0.04
Total	0.05	-0.21

Source: Company, JM Financial; **: Others mainly include Defence JVs

Exhibit 7. SoTP based price target of INR 3,890

INR bn	Valuation method	Value driver	Multiple (x)	Value	L&T's stake	L&T's value	INR/share
P&M business (A)	PEX FY26E PAT	127.3	30	3,818	100.0%	3,818	2,777
L&T Finance Holdings	Mcap*	435	0.8	348	66.4%	231	168
LTIMindtree	Mcap*	1,678	0.8	1,342	68.6%	921	670
LTTS	Mcap*	547	0.8	437	73.7%	322	235
Total value of listed subsidiaries (B)						1,474	1,073
Infrastructure Development (C)	P/B (capital invested)	75	0.7	55	100.0%	55	40
Target price (A+B+C)						5,347	3,890

Source: Company, JM Financial; *: as on 24th July 2024; ^: @20% holding company discount**Key conference call takeaways**

- **FY25 guidance maintained:** Revenue: 15% YoY growth to INR 2.54tn (FY24: 2.2tn); Order inflows: 10% YoY growth to INR 3.33tn (FY24: INR 3.03tn); P&M margins: 8.25% (FY24: 8.2%)
- **Prospects pipeline moderates** to INR 9.1tn (-10% YoY) for remaining 9MFY25E due to fall in Hydrocarbon prospects (INR 2.7tn, down 38% YoY) as some projects were shelved while some were deferred. Infrastructure prospects remain healthy at INR 6tn (+6% YoY)
- **Hyderabad Metro:** Average ridership declined marginally QoQ from 442k/day in 4QFY24 to 434k/day in 1QFY25 (422k/day in 1QFY24). Till date, L&T has received support of INR 9bn from Telangana government and INR 21bn is pending.
- **Middle East opportunities:** L&T is actively pursuing hydrocarbon and renewable energy projects in the Middle East along with exploring options in railway and metro projects.
- **Amravati update:** Initial discussions with the Andhra Pradesh government have begun and the talks appear to be positive. Further update on this will be provided post 2Q25.
- **Labour shortages** were experienced in 1Q25 due to extreme heat waves and general elections. Normalcy is expected soon.

Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24A	FY25E	FY26E	
Net Sales	15,65,212	18,33,407	22,11,129	25,46,092	29,02,024	
Sales Growth	15.1%	17.1%	20.6%	15.1%	14.0%	
Other Operating Income	0	0	0	0	0	
Total Revenue	15,65,212	18,33,407	22,11,129	25,46,092	29,02,024	
Cost of Goods Sold	9,97,385	11,66,153	14,59,506	15,98,946	18,22,471	
Personnel Cost	2,97,335	3,72,141	4,11,710	4,52,881	4,98,170	
Other Expenses	88,319	87,580	1,04,976	2,24,178	2,56,193	
EBITDA	1,82,173	2,07,533	2,34,936	2,70,087	3,25,191	
EBITDA Margin	11.6%	11.3%	10.6%	10.6%	11.2%	
EBITDA Growth	16.6%	13.9%	13.2%	15.0%	20.4%	
Depn. & Amort.	29,480	35,023	36,823	40,520	43,020	
EBIT	1,52,694	1,72,510	1,98,113	2,29,567	2,82,171	
Other Income	22,671	29,292	41,580	38,580	41,427	
Finance Cost	31,257	32,072	35,458	33,850	29,550	
PBT before Excep. & Forex	1,44,107	1,69,730	2,04,235	2,34,297	2,94,047	
Excep. & Forex Inc./Loss(-)	0	0	0	0	0	
PBT	1,44,107	1,69,730	2,04,235	2,34,297	2,94,047	
Taxes	42,166	44,841	49,474	60,110	74,593	
Extraordinary Inc./Loss(-)	969	1,360	936	0	0	
Assoc. Profit/Min. Int.(-)	16,217	21,542	25,106	27,085	30,023	
Reported Net Profit	86,693	1,04,708	1,30,591	1,47,102	1,89,432	
Adjusted Net Profit	85,724	1,03,348	1,29,655	1,47,102	1,89,432	
Net Margin	5.5%	5.6%	5.9%	5.8%	6.5%	
Diluted Share Cap. (mn)	1,405	1,406	1,375	1,375	1,375	
Diluted EPS (₹)	61.0	73.5	94.3	107.0	137.8	
Diluted EPS Growth	21.3%	20.5%	28.3%	13.5%	28.8%	
Total Dividend + Tax	30,911	33,721	38,490	42,820	49,943	
Dividend Per Share (₹)	22.0	24.0	28.0	31.1	36.3	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24A	FY25E	FY26E	
Profit before Tax	1,45,077	1,71,090	2,05,171	2,34,297	2,94,047	
Depn. & Amort.	29,480	35,023	36,823	40,520	43,020	
Net Interest Exp. / Inc. (-)	31,257	32,072	35,458	33,850	29,550	
Inc (-) / Dec in WCap.	-2,490	7,991	48,153	-1,08,404	-1,12,066	
Others	0	0	0	0	0	
Taxes Paid	-39,211	-39,130	-47,671	-55,110	-69,593	
Operating Cash Flow	1,64,112	2,07,046	2,77,935	1,45,153	1,84,959	
Capex	-21,146	-52,225	-42,105	-40,000	-50,000	
Free Cash Flow	1,42,966	1,54,821	2,35,830	1,05,153	1,34,959	
Inc (-) / Dec in Investments	233	-51,949	-8,495	-5,000	-5,000	
Others	5,111	-23,994	-17,617	-9,800	-9,800	
Investing Cash Flow	-15,803	-1,28,168	-68,217	-54,800	-64,800	
Inc / Dec (-) in Capital	1	0	-99,998	0	0	
Dividend + Tax thereon	-30,911	-33,721	-42,170	-42,820	-49,943	
Inc / Dec (-) in Loans	-91,370	-49,548	-44,736	10,000	-40,000	
Others	1,088	40,056	-94,426	-23,850	-19,550	
Financing Cash Flow	-1,21,193	-43,214	-2,81,330	-56,670	-1,09,493	
Inc / Dec (-) in Cash	27,117	35,664	-71,612	33,683	10,666	
Opening Cash Balance	1,62,415	1,89,532	2,25,196	1,53,584	1,87,267	
Closing Cash Balance	1,89,532	2,25,196	1,53,584	1,87,267	1,97,932	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY22A	FY23A	FY24A	FY25E	FY26E	
Shareholders' Fund	8,24,077	8,93,259	8,63,592	9,67,874	11,07,363	
Share Capital	2,810	2,810	2,749	2,749	2,749	
Reserves & Surplus	8,21,267	8,90,449	8,60,843	9,65,125	11,04,614	
Preference Share Capital	0	0	0	0	0	
Minority Interest	1,29,661	1,42,413	1,61,904	1,89,189	2,19,412	
Total Loans	12,34,682	11,85,134	11,40,398	11,50,398	11,10,398	
Def. Tax Liab. / Assets (-)	-18,008	-33,544	-33,301	-38,301	-43,301	
Total - Equity & Liab.	21,70,412	21,87,262	21,32,593	22,69,160	23,93,872	
Net Fixed Assets	4,39,864	4,57,066	4,60,088	4,59,568	4,66,548	
Gross Fixed Assets	4,88,388	5,10,240	5,50,584	5,90,584	6,40,584	
Intangible Assets	74,770	77,987	78,009	78,009	78,009	
Less: Depn. & Amort.	1,34,997	1,60,652	1,97,475	2,37,995	2,81,015	
Capital WIP	11,703	29,491	28,970	28,970	28,970	
Investments	3,96,034	4,47,983	4,56,478	4,61,478	4,66,478	
Current Assets	23,17,731	23,36,438	24,16,581	26,63,269	28,84,722	
Inventories	59,433	68,288	66,202	72,592	82,102	
Sundry Debtors	5,22,165	5,26,864	5,71,255	6,69,657	7,55,321	
Cash & Bank Balances	1,89,532	2,25,196	1,53,584	1,87,267	1,97,932	
Loans & Advances	65,363	6,072	5,820	6,702	7,639	
Other Current Assets	14,81,237	15,10,019	16,19,721	17,27,052	18,41,728	
Current Liab. & Prov.	9,83,217	10,54,225	12,00,554	13,15,155	14,23,876	
Current Liabilities	5,11,442	4,97,841	5,32,929	5,84,367	6,60,926	
Provisions & Others	4,71,774	5,56,384	6,67,625	7,30,788	7,62,950	
Net Current Assets	13,34,515	12,82,213	12,16,027	13,48,114	14,60,845	
Total - Assets	21,70,412	21,87,262	21,32,593	22,69,160	23,93,872	

Source: Company, JM Financial

Dupont Analysis						
Y/E March	FY22A	FY23A	FY24A	FY25E	FY26E	
Net Margin	5.5%	5.6%	5.9%	5.8%	6.5%	
Asset Turnover (x)	0.7	0.8	1.0	1.2	1.2	
Leverage Factor (x)	2.8	2.5	2.5	2.4	2.2	
RoE	10.8%	12.0%	14.8%	16.1%	18.3%	

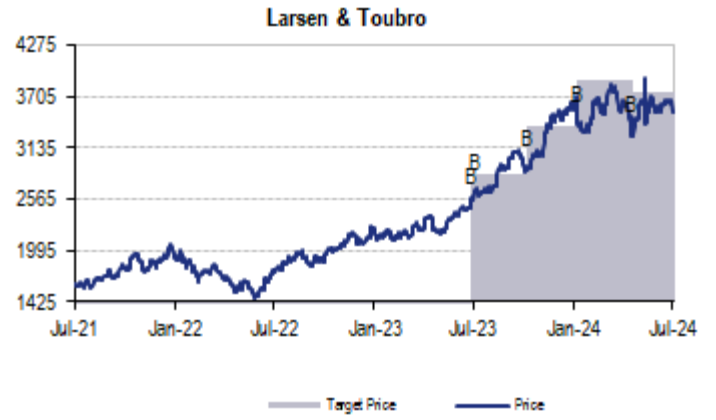
Key Ratios						
Y/E March	FY22A	FY23A	FY24A	FY25E	FY26E	
BV/Share (₹)	586.6	635.7	621.4	704.1	805.6	
ROIC	5.7%	6.8%	8.0%	8.6%	9.9%	
ROE	10.8%	12.0%	14.8%	16.1%	18.3%	
Net Debt/Equity (x)	0.9	0.7	0.7	0.6	0.5	
P/E (x)	27.7	26.0	37.3	32.9	25.5	
P/B (x)	2.9	3.0	5.7	5.0	4.4	
EV/EBITDA (x)	17.1	15.8	23.3	20.2	16.6	
EV/Sales (x)	2.0	1.8	2.5	2.1	1.9	
Debtor days	122	105	94	96	95	
Inventory days	14	14	11	10	10	
Creditor days	135	112	98	94	94	

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
20-Jul-23	Buy	2,745	
26-Jul-23	Buy	2,835	3.3
1-Nov-23	Buy	3,380	19.2
1-Feb-24	Buy	3,875	14.6
9-May-24	Buy	3,740	-3.5

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com

Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: sahil.salastekar@jmfl.com

Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: instcompliance@jmfl.com

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

Research Analyst(s) Certification

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

Additional disclosure only for U.S. persons: JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 28th Floor, Office No. 2821, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

Additional disclosure only for U.K. persons: Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Additional disclosure only for Canadian persons: This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.